

BUSINESS (STANDARD LEVEL)

Paper 8299/5161
Business Organisation and Environment

General comments

This paper was available for the last time in November 2009. There were no candidates for the paper.



BUSINESS (STANDARD LEVEL)

Paper 8928/5162
Effective Business Communication

General Comments

15 minutes was given as reading time. Candidates must use this time carefully. They must establish the main points of the case study and apply them where necessary in their answers. This was particularly relevant for **Task 2 (a)**.

In the majority of tasks three or four 'factors'; 'advantages'; 'reasons'; 'ways'; 'features' etc. were asked for.

The depth of answer required was given in the number of marks awarded i.e. (3 × 2 = 6); (4 × 2 = 8); (4 × 3 = 12). In other words: 1 point = 1 mark: one point plus a development or explanatory point = 2 marks. If four points were asked for and these were given in bullet point form then there would be a maximum of four marks. If six bullet points were given and no development or explanation given then there would still only be a maximum of four marks allocated.

Task 1

- (a) The key word in this task was 'customers'. Many candidates were too general in their answers, failing to consider customers' needs and wants; customer feedback and the general relationship with customers.
- (b) The key word in this task was 'factors' not 'types' (letters, memos, fax, email etc.). Neither did the task ask 'what' is to be communicated, 'why' it is to be communicated, nor the 'importance of communication'.
- (c) The quality of answers depended very much on the Centre. The key phrases in the task were 'two-way communication' and 'project team and other staff'. The methods are identified in the mark scheme with the addition of 'video conferencing'. A sizeable number of candidates identified various forms of written communication which were not acceptable.

Task 2

- (a) In many cases there was an improvement in the layout of the letter. The two main problems however, are candidates still failing to include the inside address (i.e. the name and address of the person receiving the letter) and the correct form of salutation with the corresponding complementary close (i.e. Dear Mr or Mrs or Ms and a surname) with 'Yours sincerely' or 'Yours truly'. These must be compatible to gain one mark. The letter must also carry a signature.

The content of the letter was generally too vague or contained passages lifted directly from the case study with scant regard for relevance. The content must be clear leaving the recipient in no doubt why the letter was sent.

There are six possible marks for layout and six marks for content, and so with additional thought and application, there was no reason why candidates could not gain more marks, particularly for content. However few candidates gained more than two marks for this part.

- (b) The task specifically asked for benefits to Yaklin's customers, but many candidates just listed benefits in general or benefits to Yaklin (the benefits are referred to in the mark scheme with the addition of 'improved quality of services').

Task 3

- (a) The task referred specifically to small groups not groups in general; neither did it ask for comparisons between large and small groups. Candidates should have identified the benefits and the characteristic of small groups. Culture and language difficulties were not accepted.
- (b) Only four ways were asked for. Candidates giving more than four bullet points were only awarded four marks; additional marks were given for explanation. There was plenty of scope in this task for candidates to gain full marks but candidates failed to explain or develop the points they made.

Task 4

- (a) This was a straightforward task. Most candidates identified six points, some up to ten. Again the majority of answers were bullet points with no development or explanation therefore only one mark per point was given. Some candidates repeated points. The task itself suggests that development is required – ‘Identify six things.....’ with a mark of $(6 \times 2 = 12)$.
- (b) This task was poorly answered, with many candidates failing to understand the term ‘features’. Most repeated the points made in (a).

Task 5

- (a) Most candidates identified and explained four types of graph correctly; some drew a diagram, and gained full marks.
- (b) The quality of answers to this task depended very much on the candidates’ knowledge of IT. Most candidates were able to identify two pieces of software but could not apply them.



BUSINESS (STANDARD LEVEL)

Paper 8928/5163
Business Finance

General comments

Overall the performance of the candidates who sat the October 2009 examination paper was disappointing with many candidates producing vague answers to the tasks that had been set. There appeared to be a number of Centres where the candidates had not been prepared well for the examination and the candidates produced largely irrelevant or incorrect responses. Centres are urged to remind candidates of the need for precision when defining terms and the need to address all parts of the tasks. In doing so, the candidates will increase their chances of scoring higher marks. There is also a need for candidates to manage their time more effectively and Centres should instruct their candidates on the need to study the mark allocations more closely in order to maximise the returns for their efforts. Once again, it is necessary to remind Centres that they should be encouraging candidates to provide formulae and workings when they are undertaking tasks that involve calculations. Failure to provide this evidence of how they intend to answer the tasks often leads to candidates losing marks.

Comments on specific tasks

Task 1

Overall the responses to this task were rather disappointing with many vague or irrelevant answers being provided.

- (a) The answers were often incomplete with many candidates being able to explain what a patent is but only a small minority able to explain how a patent is dealt with within the accounts of a business.
- (b) The answers were generally quite poor with many candidates providing vague reasons as to why the labour costs of the business were likely to rise.
- (c) The answers provided were very disappointing with few candidates being able to explain what is meant by a merchant banker and even fewer being able to identify the roles that the merchant banker could play in the operations of the business.
- (d) The answers to this part were slightly better with most candidates being able to identify a relevant disadvantage of operating with different accounting systems and a sizeable minority of candidates were able to identify a relevant advantage of the new system.

Task 2

- (a) The answers provided were generally quite good with most candidates being able to place the external factors within the PEST framework and also being able to explain how the business was likely to be affected by the changes. However, Centres are urged to impress on the candidates the need to discuss the effects that the changes are likely to have on both future revenues and costs. It is only by doing so that the candidates can make a judgement on the effect on future profits, as required by the task.
- (b) The answers were very disappointing with most candidates being unable to explain what is meant by a rights issue and even fewer candidates being able to explain the advantage of using this mechanism. Centres are urged to address this knowledge gap as a matter of urgency.

Task 3

- (a) The answers were rather patchy; some candidates could not produce a correct format for the balance sheet, whilst others could not place the data in the correct sections of the balance sheet. This type of task is very common on the paper and Centres should ensure that candidates are better prepared for this type of task in future examinations.
- (b) The answers were much better with most candidates being able to explain why and how the users of the balance sheet would have an interest in the information.

Task 4

This task was done well by the vast majority of candidates with all parts of the task being answered well.

- (a) The answers were particularly good with many candidates obtaining full marks.
- (b) The answers were less good with many candidates being unable to provide relevant financial implications of going public.
- (c) The answers provided were generally quite sound with most candidates being able to identify and explain both an advantage and disadvantage.

Task 5

- (a) (i) The answers were generally good with most candidates being able to apply the correct formula and being able to arrive at the correct answer.
- (ii) The answers were less good with many candidates appearing not to know how to calculate the book value. Centres are urged to address this knowledge gap as a matter of urgency.
- (b) The answers were generally quite poor with few candidates being able to explain either the reasons for depreciating assets or how depreciation is treated in the final accounts of the business. Centres should address this knowledge gap to allow future candidates to score higher marks.

BUSINESS (STANDARD LEVEL)

Paper 8928/5164

Marketing

General comments

It is pleasing to report that many Centres achieved good marks for this paper this session with some high marks awarded. Good candidates knew the syllabus well, and were able to identify the relevant concepts required by each task. They could also apply those concepts to the material in the case study.

Candidates still, perhaps under the pressure of the examination situation, do not always read and/or analyse the requirements of the task sufficiently. Teachers can help candidates develop this skill by discussing past paper tasks during teaching sessions. In addition, some are still unable to link their general marketing knowledge to the case study, and this was particularly evident in **Task 1** and **4** this time.

Comments on specific tasks

Task 1

- (a) This first part of this task looked for candidates to give a definition of marketing. Generally, candidates were able to do so for the four marks that were available for this part of the task. A variety of definitions were accepted by examiners and all centred on satisfying the needs of customers.
- (b) The response to the second part of this task was a little disappointing. Candidates were asked to explain four differences between business-to-business (B2B) and business-to-consumer (B2C) marketing. While some were able to identify differences, very few were able to expand and explain these.
- (c) This part of the task built on part (b). Part (b) required general explanations and part (c) required these to be applied to the case study explaining how marketing computers to businesses (B2B) differed from marketing cakes to consumers (B2C). Unfortunately, very few candidates could explain these differences, apart from recognising that cakes were perishable and would have a limited life.

Differences could include computers being of a higher value and therefore less frequently purchased, that purchasing decisions about cakes would be more emotional and decisions about computers are likely to be more rational, that a decision making unit is more likely to be involved in computer purchases, or that personal selling might be used for complex purchases such as computers.

Task 2

This task explored the role of marketing research.

- (a) This part of the task was generally done well.
- (b) This part of the task was also generally done well. Five marks were available for simply listing the stages of the marketing research process.
- (c) (i) Candidates were asked to identify two issues from the case study that will need marketing research. Most candidates were able to do this well, and any relevant issue from the case was awarded marks.

- (ii) This part of the task proved more difficult for many candidates, who simply described primary and secondary research rather than apply it to the issues identified in (i).

Task 3

This task explored segmentation in the main. In part (a) candidates were asked about the 'place' decisions facing Mei-Li and most candidates could identify two of the three options available.

Part (b) was generally done well, with many candidates being able to explain a basis for consumer segmentation and scored high marks. Some marks were lost where candidates described more than one consumer method – the task required one method only. This also applied to part (c).

However, it was good to see in part (d) that some candidates were able to recommend an appropriate method of segmentation for the company in the case study and to give appropriate reasons.

Task 4

This task focused on the marketing planning process. Candidates were asked to explain where certain issues are dealt with within a marketing plan. Those who were awarded high marks were able to use a suitable planning framework and correctly identify where each issue fits. Any suitable framework was awarded marks.

Those who linked the issues successfully generally attracted high marks. Unfortunately, many were unable to do so.

Part (b) was generally done better – however, for four marks it was not enough simply to list what the letters in SWOT stand for.

Task 5

This final task assesses the candidates' understanding of the competence relating to the importance and impact of each element of the marketing mix. In this case it asked about the 7Ps for marketing speciality cakes to individuals.

- (a) Most candidates could describe these well and relate them to the specifics of the case study and the task.
- (b) This part of the task was also done fairly well by many candidates. Most were able to identify that the development of a name, image and logo would help add credibility to the business as well as being easy to identify and differentiate the business from competitors.

BUSINESS (STANDARD LEVEL)

Paper 8928/5165

Human Resource Management

General comments

The general standard of answers to the paper has improved since the last session. However, there are still many candidates who are under-achieving because of poor examination technique. Not all candidates have understood that part (a) of each task generally only requires a list, whilst the majority of candidates have complied with this there are still significant numbers who insist on writing at length for this part of the task. Candidates need to recognise that a short and focused answer is preferable to one that is lengthy and offers little substance, not just in part (a) but throughout the whole paper. Candidates often fail to differentiate between the tasks with different mark values. There is little to be gained from writing a detailed answer to a four mark task at the start of the paper and then providing little detail to one offering ten marks. Candidates are not required to submit detailed essay-type answers but they must write in enough detail to demonstrate to the Examiner that they understand the tasks.

It would also appear that some Centres are devoting more time and effort to certain parts of the syllabus at the expense of other areas. The entire syllabus needs to be covered but not in any more detail than the depth specified. This was a paper that all of the candidates were able to access, with only five per cent answering fewer than the required number of tasks.

More able candidates had clearly read both the case study and the accompanying tasks carefully. They were then able to understand precisely what the tasks asked them to do and applied their knowledge in the appropriate context. Not all candidates recognised that responses, unless the task really calls for the repetition of general business knowledge, should be clearly related to the case study. Marks were frequently not awarded because the context was not considered. Candidates' knowledge needs to be applied to the case study. Teachers should ensure that their candidates understand the importance of context.

Candidates must not underestimate the importance of time management. A significant proportion of candidates were unable to complete all the tasks to the same standard within the allotted time. In many cases the marks gained by the tasks at the end of the paper were much lower than those at the beginning. Also the nature of the answers clearly showed that although candidates had the ability to answer these tasks to a better standard they had simply failed to allocate or plan their time appropriately.

Comments on specific tasks

Task 1

- (a) Candidates were able to understand the concepts of centralised and decentralised Human Resource Management (HRM) but few were able to provide a balanced answer to consider the benefits and drawbacks of both methods. The majority have clearly been taught that decentralisation is the better approach but without any justification for this.
- (b) This task was completed exceptionally well and the majority of candidates achieved full marks in this section. A number of candidates did add additional material although this was not requested and no further marks were available so they may have penalised themselves by reducing the amount of time left available to spend on other tasks in the paper.
- (c) Candidates understood the purpose of HRM and often listed the centralised functions but few candidates were able to explain the link between these and the changing nature of the industry as detailed in the case study. Those candidates who limited their answer to an explanation of the purpose of HRM did not move beyond the first mark band.



Task 2

- (a) This task required candidates to list features that were contained in the case study; this task was completed to a suitable level by nearly all candidates.
- (b) Many candidates were able to quote the relevant section of the case study referring to the Paper Producers Employers' Association and often added some advantages to an employer of being part of such an organisation but few candidates recognised the full benefits such as being able to use specialist negotiators and saving time for managers.
- (c) This task did differentiate between different levels of candidate ability, weaker candidates generally provided answers that were not relevant to HRM but explained what sorts of IT technology was now available for firms to use whilst good candidates made reference to the need for constant training and the implications of new technology for employees in terms of lifelong learning and career changes.

Task 3

- (a) Most candidates were able to list the selection process elements from the case study. Some candidates also added other elements that were not mentioned in the case study but no extra marks were available for this.
- (b) Generally good explanations of both types of contract at a basic level and some candidates were able to expand their answer by providing answers that included specific examples, the very best answers including examples well linked to the case study.
- (c) Almost all candidates recognised that switching to shift work could increase productivity although a significant number of answers tended to better reflect an understanding from a Business Organisation or Business Finance perspective rather than from a HRM perspective. Whilst a significant number of candidates correctly listed the advantages of shift work for employers there were few answers that were able to fully expand these to show that the candidates had a full understanding.

Task 4

- (a) The systems required for this task were clearly shown in the case study and only the weakest candidates were unable to identify them.
- (b) Candidates tended to have a good understanding of how Works Councils operated but were much weaker on the role of the Worker Director. Many assumed that the Worker Director was a director with special responsibility for HRM or for instructing staff what to do. In both cases candidates frequently ignored or were unaware of the election element to both situations.
- (c) There were some very variable answers to this task and evidence that a significant number of candidates had allocated insufficient time for this task. These tended to be candidates who had ignored the request for 'lists' in previous tasks and had instead written detailed explanations. Weaker answers described the methods used for appraisal which was not completely what the task was asking although many candidates did appreciate the use of targets and standards in measuring and monitoring performance.

Task 5

- (a) Again a well answered task even though some candidates did not use the information provided in the case study. These were accepted as the task did ask for methods that the Real Paper Company (RPC) was considering using so marks were awarded for any acceptable method of payment.
- (b) Weaker candidates, or those who had not allocated sufficient time, would merely list fringe benefits even though the task clearly asked for an explanation of how they would motivate staff. Some



candidates were confused as to what actually constituted fringe benefits and did not recognise that these would be in addition to normal payments.

- (c) Marks awarded for this task were unevenly distributed because of the candidates who had simply not allocated themselves sufficient time to answer in any amount of detail. Answers ranged from lists of the three stages to very detailed explanations of each stage, often including an analysis of the benefits and drawbacks for each method. There were some very good answers showing good levels of evaluation skill for Standard level candidates.

BUSINESS (STANDARD LEVEL) AND OFFICE ADMINISTRATION (STANDARD LEVEL)

**Paper 8928/5166
Interpersonal Business Skills**

This paper was available for the last time in November 2009. There were no candidates for the paper.

BUSINESS (STANDARD LEVEL)

Paper 8928/5167
Business Start-up

General comments

Generally speaking the majority of submissions for this module were of a very good standard, which reflected the hard work produced by the candidates and the dedication of the teachers. However, some omissions were identified which resulted in some grades of fail or the marker making a lower assessment. More teachers used the Assignment Cover Sheets this year and this was helpful to the candidate, marker and the teachers alike. The checking of the candidates' work to ensure that it is complete is very important.

Listed below are a number of reasons why some candidates were not successful or received a lower grade.

Specific Comments

- The candidate had not included a self-evaluation section in their report indicating how they managed the task of researching and completing the assignment.
- A reference section or bibliography had not been included in the candidate's work; no implied references were found in the text of the assignment.
- Although all the module objectives were identified in the text of the report these were rather weak and comments could have been extended.
- On occasions the Assignment Cover Sheet had not been properly completed by the teacher; in some cases the page numbering/cross referencing did not match the candidate's work.
- Some module objectives were not mentioned in the text of some reports. It is compulsory that these are evidenced/demonstrated to show that the candidate has an understanding of that part of the syllabus. A list of these objectives can be found under 'Criteria for assessment' in the module booklet.
- A large number of bullet points had been used in the text of one report when it would have been more appropriate to discuss points and issues.
- Some reports had not been submitted in a proper business like/academic format, the lay out and presentation should follow appropriate conventions. One report had a contents page but no numbering system.

BUSINESS (STANDARD LEVEL) AND OFFICE ADMINISTRATION (STANDARD LEVEL)

**Paper 8928/5168
Customer Care**

This paper was available for the last time in November 2009. There were no candidates for the paper.

BUSINESS (STANDARD LEVEL)

Paper 8928/5169
Business Organisation and Environment

General comments

A number of issues are highlighted by each and every examination session. Unfortunately, poor examination technique remains a concern and still hinders the achievement of higher marks for many candidates. Teachers are strongly advised to address the subject when preparing their candidates for the examinations. Previous examination papers and the Principal Examiner reports are readily available and it is recommended that they are used during the revision period.

- (i) Candidates are expected to read both the case study and the accompanying tasks carefully. They must ensure that they understand precisely what the Examiner wants them to do. Candidates often fail to do themselves justice simply because they either misread or fail to comprehend a task.
- (ii) The invigilator must emphasise that 15 minutes' reading time is provided in order to help candidates become acquainted with the contents of the examination paper.
- (iii) An expectation of the case study is that candidates will respond in the appropriate context. This means that, unless the task calls for the rehearsal of general business knowledge, answers should be clearly related to the case study. Marks are often lost because the context is disregarded. It is not enough to display knowledge and teachers should ensure that their candidates understand the importance of context. Potentially excellent answers are often penalised by low marks owing to the lack of context. The loss of even a few marks in this way can prohibit a candidate from getting an appropriate grade.
- (iv) Candidates must appreciate that a short and focused answer is preferable to one that is lengthy and offers little substance. They need to differentiate between the demands of different value tasks. There is little to be gained from writing a detailed answer to a two mark task and then giving scant attention to one offering four marks. At no point in the examination paper are candidates required to submit detailed essay-type answers but they must write a sufficiency of detail to demonstrate to the Examiner that they understand the tasks.
- (v) Candidates are mostly asked to describe or explain, and a typical failing is an insufficiency of description or explanation.
- (vi) The majority of candidates sit the examination in a second language and incorrect spelling and grammatical errors are not taken into consideration. The demonstration of business knowledge is much more important than the quality of written language. However, it must be emphasised that a very poorly expressed answer, especially one which expects the Examiner to guess the candidate's meaning and intention, will not be able to access the full range of available marks.
- (vii) Candidates must not underestimate the importance of time management. The evidence indicates that all the tasks are completed within the allotted time. It is appreciated that an examination will put candidates under pressure but teachers need to instruct them on how to pace themselves and not panic because of the time constraint.
- (viii) The layout of responses still needs attention but generally scripts seem to be better presented. Unclear or untidy scripts can present examiners with unnecessary difficulties. No marks are deducted from scripts where candidates ignored advice about, for example, leaving margins clear, or starting each task on a separate sheet of paper, but candidates need to learn how to pace themselves and not to panic because of the time constraint.

- (ix) There are still candidates who insist on copying out the tasks. It is not necessary and wastes valuable examination time. Equally, there are those who respond to tasks by copying out segments of the case study and that action will prohibit the award of full marks.
- (x) The information on the front page should be read out aloud to the candidates to avoid any misunderstanding about how they should proceed. The following bullet points summarise the advice to be given to candidates:
- (a) They should:
- pay attention to the layout of answers;
 - read and make sure that the Examiner's instructions are understood;
 - focus on the essentials of each task or task;
 - relate the length and content of the response or answer to the task;
 - manage examination time sensibly.
- (b) They should NOT:
- write out the tasks or tasks;
 - attempt the tasks or tasks in an erratic order;
 - wrongly number the tasks or part-tasks;
 - offer more than is required;
 - include irrelevancies.

Comments on specific tasks

The case study dealt with a company called The Celestial Sounds Co-operative Society which was founded by 15 musicians. The society started as a recording studio but success brought expansion until it was trading in Malaysia and Indonesia, and owned 170 shops selling music and 50 stores selling books.

Task 1

- (a) Celestial Sounds was a co-operative society. Candidates were asked to explain two features of a co-operative society.
- (i) The first feature was the non-transferability of shares. This task was not well done owing largely to the general lack of knowledge about co-operative societies. The non-transferability of shares is an essential aspect of a society's constitution. In this task candidates should have explained that shares could only be bought from or sold back to the Society, and that there was, therefore, no legal arrangement to allow trading between individuals.
- (ii) The second feature dealt with the democratic control or ownership of the society. This is another feature or principle of a society. Most candidates did not come to terms with this task. The key issue was that each member had only one vote regardless of the number of shares held i.e. each member had equal voting power regardless of shareholding. In a plc, a shareholder would have as many votes as shares but in a society each member only counts as one.
- (b) Candidates were required to explain two of the Society's business objectives.
- (i) The first objective was to satisfy customer demand. The key point in this task was that without customers there was no Society, and that customer satisfaction was a requirement for the business. It should have been explained that customers spend money to satisfy their musical interests, so they are looking for a reliable supplier. As music was the Society's business, it had to correctly judge the tastes of its customers. Most candidates understood the task but few earned good marks.
- (ii) The next objective was to gain and enlarge a share of the music market. This task was limited in its treatment by most candidates. It needed to be said that the Society's outlets were located throughout Malaysia and Indonesia which indicated a firm foothold in the music market. A larger share of the market meant higher turnover, better profits (which could fund expansion), and more employment opportunities.



- (c) Descriptions of two financial terms were required.
- (i) The first of these was petty cash. This task proved easy with most responses earning full marks. Some candidates suggested that petty cash was used for the purchase of materials but most understood that it was the limited amount of ready cash kept in the office to pay for very small or unexpected purchases. This was only a two mark exercise but some candidates offered an extended answer indicating that each transaction was covered by a petty cash voucher and recorded in the petty cash book; that it only represented a very small amount and was not to be confused with cash flow or cash reserves.
- (ii) The second was invoice. Although some defined it as a receipt, most of the responses offered correct descriptions. The key point was that an invoice was essentially a record of a transaction. It was sent to a purchaser who bought goods on trade credit and was a request for payment. An invoice contained e.g. details of the goods/services bought; delivery charges; prices; taxes; payment terms.

Task 2

- (a) The Chairman of the Society said that all stakeholders were important.
- (i) Candidates were asked to explain why the employees thought they were the most important stakeholders. Generally, this exercise was well done as there was an appreciation that the Society relied on their effort, expertise, commitment and cooperation. The quality of employees enhanced the Society's image and reputation and so improved turnover. The employees were entitled to be regarded as a major factor of 'production'.
- (ii) Excluding employees, candidates were expected to identify two of Celestial Sounds' stakeholders and indicate why they could be regarded as the most important. The choice of stakeholders could have been made from, for example, banker, insurer, customers, suppliers, government departments, managers, directors, musicians, members. Each choice needed to be justified. There was no correct answer but a knowledgeable and reasoned response was required.
- (b) The Society's structure used to be flat but became hierarchical. The Chairman said the hierarchical structure helped to coordinate the Society's resources.
- (i) This task called for an explanation of the difference between a flat and a hierarchical organisational structure. Candidates understood this task as it seemed to be familiar ground for them and, in the main, good marks were awarded.
- The flat structure created a wide span of control but improved vertical communication as there were fewer layers through which it had to pass. Being flat enabled the delegation of a high proportion of tasks and decisions, and so helped to motivate Celestial Sounds' employees as they had more responsibility. By comparison, a good explanation said that a hierarchy contained a large number of ranks or levels between the 'shop floor' and the senior leadership team: a key term to use was a top-down structure. There were many layers and narrow spans of control but each employee or partner had a clear role and responsibility.
- (ii) An explanation was required of how the organisational structure helped to coordinate the Society's resources. There was a certain link to **2(b) (i)** above and this task was essentially a rehearsal of the purpose of a structure. Once a candidate appreciated that then the following points could be drawn e.g. the structure identified the levels of authority and responsibility; it assisted target setting; it enabled the distribution of work; it was related to company objectives. Responses were fairly descriptive but full understanding was limited.
- (c) With reference to Celestial Sounds, candidates were asked to define two structural terms.
- (i) The first was the chain of command. The key point to note here was that the chain was essentially the vertical line of authority and responsibility within the society enabling instructions to be passed down from top to bottom. The length of the chain reflected the number of layers of hierarchy i.e. a short chain meant fewer layers. Most candidates tackled this task quite well.

- (ii) The second was the channel of communication. In so many cases there was either some confusion between this and **2(c) (i)** above, or, candidates gave examples of the means of communication. The key to the task was the recognition that it was the route in the society by which messages (instructions, requests) were communicated. The hierarchy expected orders to go downwards whilst responses moved upwards.

Task 3

- (a) The employees were offered incentives.
- (i) The task called for an explanation of incentive. Candidates found this an easy exercise and offered suitable definitions. Most indicated the financial and/or non-financial nature of some incentives and gave appropriate examples. A key point was to explain why incentives had been offered to employees, namely to encourage loyalty, attendance, and productivity, and to reward performance.
- (ii) Candidates were asked to list two incentives that they considered the most important. This was not a difficult task as a candidate had only to select two appropriate incentives i.e. those which would be reasonable for the society to offer e.g. pension scheme, subsidised lunches, service days, staff discounts, and healthcare. A simple identification was all that was required.
- (b) The Society employed many part-time employees.
- (i) This task called for a definition of the term 'part-time employee'. It was an easy exercise and candidates got it mostly right although some confused part-time with casual. A key response was to point out that part-time employment could be either permanent or temporary. Part-timers worked fewer hours than full-timers e.g. two days per week, four hours per day. It might have been that part-timers did not enjoy the same benefits as full-timers.
- (ii) The next exercise asked for a description of one benefit to the Society of employing part-time staff. Most answers demonstrated knowledge. The key points to bring out included the fact that it enabled the Society to cover jobs which did not require full-time personnel; that part-time staff did not cost as much as full-timers; and that part-time staff might be more flexible.
- (c) Candidates were asked to describe three following expectations that the employees might reasonably have of their employers. This is a familiar and regular feature of the paper and yet few responses were awarded three or four marks.
- (i) The first was fair treatment. Most responses tended to emphasise the issue of negative discrimination in terms of race, gender, and age. There was recognition that there should be no unreasonable behaviour shown towards staff by management. One point which was overlooked by candidates was that there should have been a system for dealing with internal disputes.
- (ii) The next was staff training and development. This task was quite well done as candidates readily appreciated that training helped to make employees more productive and cost effective; that it gave them some job satisfaction and helped them to achieve better earnings and possibly promotion. Some jobs were specialist and staff needed training to fulfil them. One point which might have been developed was that training could be a strong motivator.
- (iii) The final expectation was reasonable working conditions. A problem here was that a number of candidates confused working conditions with matters such as pay and bonuses. The essence of the task was that employees should not work in unsafe and health threatening conditions; that they should be provided with appropriate protection against, for example, computer screen glare, and be given adequate lighting, heating, working space, and rest periods.

Task 4

- (a) Like every business, Celestial Sounds was influenced in some way by external or PEST factors. Explanations were called for how the business might be influenced by three specific factors. Although PEST factors are a familiar area in the paper, few candidates really interpreted and applied the tasks with any real confidence.

- (i) The first issue was the lack of fair trading. The Chairman suggested it was a reason that the Society's profits had been falling. The text made reference to two issues which may be interpreted as unfair trading – firstly, the way in which shopping centres have been developed leaving some retailers in run-down areas; and secondly, the problem of counterfeit CDs. Both issues had affected Celestial Sounds. Candidates tended to identify the piracy problem but did not refer to any attempt to penalise unfair practices or to the removal of any unnecessary regulation.
 - (ii) The next issue was business taxation. Most candidates regarded tax in a negative light e.g. an increase in the business tax rate might mean having to increase prices or reduce pay rises; an unfair business rate could encourage bankruptcies. The point missed was that it was not the taxation itself but the level or rate of tax that really presented concern. A key point was that the government's tax policy could offer incentives e.g. tax 'holidays', reduction of tax for investment and expansion, lower thresholds etc to a business.
 - (iii) The final factor was the cost of employing staff. This was not a very successful task as candidates spoke mostly of wage rises when the issue was actually about the ways in which the law might make employment of staff more expensive e.g. a national minimum wage, essential training costs, a change in the number of hours staff are allowed to work, the age at which people can start or stop working.
- (b) Candidates were asked to identify the factors which affected the location of the Society's shops and recording studio.
- (i) As far as the shops were concerned, there were some obvious responses. The key one was that the location must offer ready access to its market i.e. the customers and so a shop needed to be in a shopping centre or other specific shopping area. Most candidates saw this but did not mention other issues such as occupancy costs, infrastructure and shopping mix.
 - (ii) Responses to the location of the recording studio were largely weak and ignored the text. The key issue here was it did not really matter where the studio was as its location had no impact on its product and candidates ought to have recognised this point. Many felt the location should be dictated by the availability of musicians and/or the proximity of the Society's shops: both issues were irrelevant. Supporting points could have included infrastructure, suitability of the building, occupancy costs, and whether or not the location should be in an industrial, commercial or residential area.

Task 5

- (a) Celestial Sounds lacked an effective customer relations policy. An explanation of what was meant by a customer relations policy was required. The key point here was that a customer relations policy indicated how the society should satisfy customers and influence positively their relationship to the company. Candidates could have reasonably assumed that Celestial Sounds wanted to satisfy its customers with good quality music products. The customer relations policy would have ideally contained e.g. how staff should treat customers, how complaints and problems were dealt with, selling in more than one currency, sending purchases overseas, acceptance of credit cards. Generally, this task was not very well done as candidates tended to rehearse the points made in the following task.
- (b) Candidates were asked to list four ways to maintain customer loyalty and satisfaction. The key word here was 'list'. Candidates tackled this task quite as they only had to select four features and list them – no explanation was necessary but the features needed to be appropriate to the Society. The choices could have been selected from e.g. refunds/replacements for faulty goods; no quibble 30 day returns service; guarantees on quality; appropriate handling of complaints; customer friendly enquiry and sales facility; courtesy and advice; security of Internet on-line sales and payments.
- (c) According to the Chairman of Celestial Sounds, the Society's market was dictated by specific factors. With reference to the Chairman's comment, an explanation was required of each of the following three factors:
- (i) Firstly there was quality. Candidates needed to recognise that customers wanted value for money along with guarantees of quality. One point that required reiteration (see **5(a)** above) was that the

society wanted to satisfy its customers with good quality music products. Quality also reflected the Society's ability to deliver products where they were needed, the commitment and knowledge of the employees, and the assurance that the CDs were not pirated versions.

- (ii)** Next was competition. This was a familiar issue for candidates who treated the task with confidence. Most understood that competition could sharpen the Partnership's focus on its market and that ignoring the competition could potentially result in the closure of stores and a loss of sales and profits. It all depended how many other music retailers there were in the market. Competition would make Celestial Sounds monitor its costs, prices, quality, customer service policy, and employment policy. This factor included the society's marketing techniques and expenditure; threats from low quality products and counterfeiting.
- (iii)** The third factor was the state of the economy. Most candidates fairly interpreted this to mean the business or trade cycle and discussed the Society's market in terms of boom or slump. The better the economy, the more money customers had to spend on music and books. With more disposable income, more money was spent on non-essentials like music. This factor affected all businesses not just Celestial Sounds.

BUSINESS (STANDARD LEVEL), ICT (STANDARD LEVEL) AND OFFICE ADMINISTRATION (STANDARD LEVEL)

Paper 8928/5191

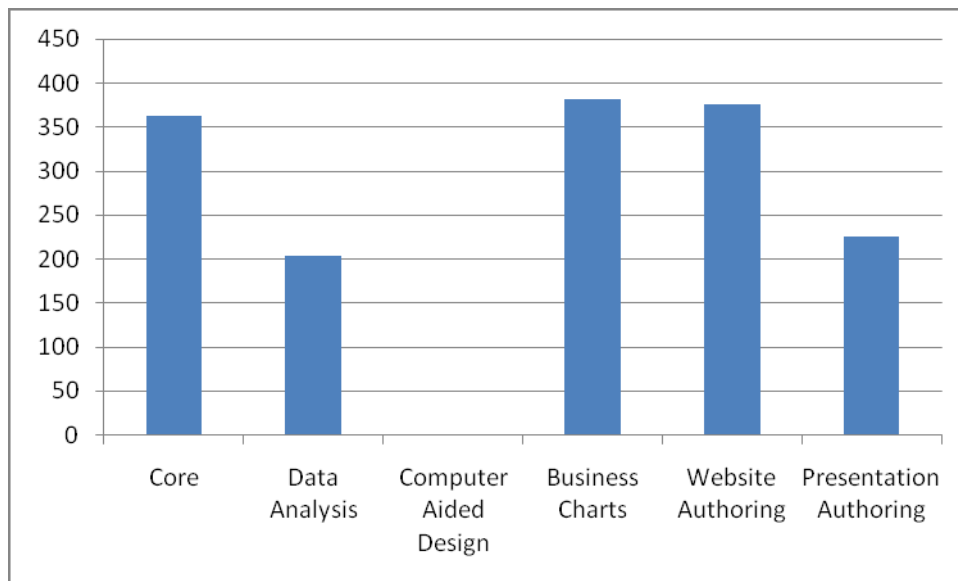
Information and Communications Technology and Core

General

Despite the scheme ceasing to accept new entries, it has still retained almost 50% of the English entries with 2449. The total numbers of entries at each level in English were 518 entries at Foundation Level, 1549 were at Standard Level and 382 at Advanced Level. Due to the demise of this scheme the entries had declined from the previous year.

Standard Level

This level comprised a Core module and five enhancement modules.



The overall pass rate for these modules was in line with last year with candidates showing a good understanding of the subject knowledge and practical skills.

5191 Standard Core

The general standard of entries for this module was high, although there were a number of errors which included:

- Errors in searching, either by trying to search using the results of a previous search rather than all the data, through errors in the search criteria, or in the selection of the data for the database extract.
- Some candidates could not correctly align text, especially when asked to fully justify the body text of a document.
- Errors in sorting the data as specified in the question paper, particularly by sorting only the specified field and therefore failing to maintain the integrity of the data. Candidates who made this error were

usually using a spreadsheet package rather than a database. Some candidates confused ascending and descending sorts.

- The failure to understand the generic terms serif, and sans-serif. Many candidates tried to locate these as font styles rather than understanding that fonts such as Times New Roman contain short strokes or serifs on each letter, and that sans-serif fonts are without these.
- When the page break has been removed in the second version of the document the line spacing was not maintained.
- Errors in page layout with the failure to set margins or column widths as specified.
- Errors in page layout with the failure to set margins or column widths as specified.

76% of all entries passed this module.